Secta. IX-27—100,000—21-5-52.

Development (~~195~~ 1948) Department

SERIES

G.O. No. 5473

Dated 4 11 1948

[Despatch Abstract.]

Companies - Indian companies Act, 1913 - administration by the Government of Madras - contribution from the Government of India on account of the cost of the Secretariat staff - Revision - Proposal - Papers recorded.

Development Department

Letter No.102535-K/51-3 dated 3-11-1951.

To

The Secretary to the Government of India,
Ministry of Finance,
New Delhi.

Sir,

Sub: Contributions payable for agency work done by Government of Madras on behalf of Government of India.

Ref: Letter from the Government of India, Ministry of Finance No.D.4912-EGI/51 dated 16--8--1951.

I am directed to invite a reference to paras 3 and 4 of the letter cited and to state that the position regarding the fixed contribution paid by the Government of India on account of agency work relating to Joint Stock Companies done on their behalf has been reviewed by this Government.

2. No separate staff is engaged specifically for the work done by this Government in connection with the administration of the India Companies Act, 1913. The contribution of Rs. 3,935/- per year paid to this Governmentby the Governmentof India for agency work in respect of Joint Stock Companies was fixed with reference to the average time taken by the officers etc. in dealing with the subject as shown below:

Secretary	1/40	of his time
Under Secretary	1/20	of his time
Superintendent	1/8	of his time
Upper Division Clerk	1/2	of his time

This amoutn also included a sum of Rs. 100/- representing contingenci incurred by this Government. In addition to the fixed contribution, the Government of India have also paid from time to time additional contributions towards dearness and war allowances as shown below:-

		Rs.
1943-44-	~~1943-45~~	13-8-0
	1944-45	107-0-0
~~1944-45~~		15-8-0
~~1945-46~~	1945-46	214-8-0
	1946-47	214-8-0

3. Based on the average time taken by the officers etc. who are now dealing with the work relating to the Joint Stock Companies, the share of cost e to be claimed by this Government from the Government of India works out to Rs. 4,336/-. I am to state, in this connection, that the allocation of the time taken by each officer in dealing with the subject is by no means scientific though it is perhaps the only practical way of arriving at the probable share of cost as worked out viz. Rs. 4,336/- does not a lso vary disproportionately with the original fixed contribution of Rs. 3,935/- now been paid by the government of India. I am to state that, in the circumstances, the Government of Madras consider that no change in the present fixed contribution paid by the Gogernment of India for agency work relating to companies done by this Government is called for.

Sd/-x x x x x

Copy to the Finance Department.

Development Department

The file te relates to the proposal for recovery of increase contribution from the Government of India on account of the cost of th secretariat staff employed in the administration of the subject "Joint Stock Companies", consequent on the upward revision of the scales of pay from 1-1-1947. The annual contribution received from the Government of India on account of the administration of the subjec "Joint Stock companies" in the Secretariat is Rs. 3,935/-. The amount was worked out with reference to the average pay of the staff, includi leave and pensionary contributions, and the average time taken by each in dealing with the subject, as shown below:-

Designation of the Officer.	Average pay per annum	Leave salary contribution per annum	Pensionary contribution per annum.	Total Cost per annum	Share of cost claimed	
	Rs.	Rs.	Rs.	Rs.		Rs.
Secretary	35,760	5,560	2,988	44,308	1/40	1107-11-
Under Secretary	17,052	2,604	2,988	22,644	1/20	1132-3-(
Superintendent	4,000	500	392	4,982	1/8	611-8-(
Upper ~~Subordinate~~ Clerk Division Clerk.	1,596	199-8-0	171-8-0	1,967	1/2	983-8-(
			Contingencies			100-0-(
			Total. or			3,934-14- 3,935-0-(

The Government of India have also sanctioned additional contributions as shown below on account of the grant of dearness and ~~Deer~~ war allowances

	Rs.
1943-44	13-8-0
1944-45	107-0-0
	15-8-0
1945-46	214-8-0
1946-47	214-8-0

The fixed contribution and the additional contributions for the work done in the several departmental of the Secretariat as agents of the central Government were claimed from time to time by the Finance Department and no individual claims were preferred by the departments concerned.

May address the Govt of India for payment

2. Finance Department have suggested that this Department of an increased contribution on account of the Secretariat staff employed on the administration of the subject "Joint Stock Companies," consequent on the upward revision of the scales of pay sanctioned in G.O.No. 78 Fs. Finance dated 6-2-1947. The staff now engaged in the work relating to Joint Stock Companies consists of:-

1. Joint Secretary
2. Assistant Secretary.
3. Superintendent
4. Upper Division Clerk.

The details of the present lump sum fixed contribution and those of the revised contribution on the basis of the existing staff and the revises scales of pay approximately compare as follows:

Present Contribution	Proposed contribution
Secretary 1/40 1107-11-0	

Present contribution		Proposed contribution		
Secretary (1/40)	1107-11-0	Joint Secretary	(1/40)	682-13-0
Under Secretary (1/20)	1132-3-0	Asst. Secretary	(1/20)	531-0 -0-
Superintendent (1/8)	611-8-0	Superintendent	(1/8)	611-8-0
Upper Division Clerk	(1/2) 983-8-0	Upper Division Clerk.	(1/2)	1,070-0-0
Total:	3,834-14-0	Total		2,895-5-0
Plus contingencies	100-0-0	Contigencies		100-0-0
	3,934-14-0			2-995-5-0

The difference between the present and the proposed contributions will be thus be Rs. 939/-. The Joint Secretary and the Assistant, Secretary are now doing in respect of "Joint Stock Companies" what was being done by the Secretary and under Secretary before. There have been frequent changes in the allotment of the work relating to companies between the Secretary and the Joint Secretary and it is even now not certain whether the existing arrangements will be a permanent feature. In the circumstances, it does not seem possible to give any retrospective effect to the proposed revision in the fixed contribution. It may be mentioned here that there has been no reduction in the volume of work done in this Department on account of the administration of the subject. The contribution is a fixed nominal amount which need not be ordinarily varied every time there is a change of personnel. It is therefore for consideration whether the present fixed contribution will be allowed to stand or whether it will be revised on the basis of the existing with effect from the beginning of the current financial year. Finance may see for remarks and for vertification of the estimate given at 'X' above.

I do not follow the calculations at 'X' above The proportions is obviously not the same as it was before. Will the Superintendent please speak.

Sd/-x x x x
14.10.48.

Notes from page 8 above.

The work relating to Companies is now attended to in the Secretariat by the Following Officers and staff:-

1. Joint Secretary;
2. Asst. Secretary;
3. Superintendent;
4. Upper Division Clerk.

The Joint Secretary and the Assistant Secretary are now doing in respect of 'Joint Stock Companies' what was being done by the Secretary and the Under Secretary before. Based on the number of clerks now working under the Joint Secretary and the Assistant Secretary and the total work turned out by the Superintendent and the upper division clerk, the average time taken by each of the above Officers in dealing with the subject works out as shown below:-

Joint Secretary	1/70 of his time
Asst. Secretary . . .	1/26 of his time
Superintendent -	1/6 off his time
Upper Division Clerk . .	1/2 of his time

With reference to the average time taken by the officers in dealing with the subject, as-worked out above, the share of cost to be claimed from the Government of India for the above staff works out as follows:-

Designation of the Officers.	Average pay per annum	Leave salary contribution	Pension contribution.	Total cost per annum	Share of cost claimed.
Joint Secretary	30,732	4,866	4,256	39,854	1/70 569-0-0
Asst. Secretary	7,040	880	935	8,855	1/26 341-0-0
Superintendent	4,000	500	456	4,956	1/6 826-0-0
Upper Division clerk.	1,747	217-14	199-8-	2,160	1/2 1,080-0-0
					2,816-0-0
			Contigencies.		100-0-0
			Total.		2,916-0-0

Note:- (i) The average annual pay of the Superintendent and the upper division clerk has been calculated on the basis of the revised scales of pa

(ii) The original figure of Rs. 100/- has been adopted for contigencies.

The difference between the proposed contribution and the original contribution is thus Rs. 1,019 and the excess amount drawn from the Government of India on this account in the past will normally have to be refunded to them. However, there were frequent changes in the allotment of the work relating to companies between the Secretary and the Joint Secretary, and between the Under Secretary and the Asst. Secretary, with the result that it may not be possible to fix any date from which the proposed contribution from the Government of India could be given effect to retrospectively. It may be mentioned here that there has been no reduction in the volume of work done in this Department on account of the administration of the subject though the proportion it bears to the total work turned out by each member of the staff has changed. For orders whether the present fixed contribution may be revised on the basis of the existing staff with effect from the beginning of the current financial year. Finance may see for remarks.

It seems better to bare things as they are if Finance agree.

Sd/ Joint Secretary.

Finance Department

(Previous finance note on page 8 above)

The further notes from page 8 above may be perused. In the circumstances explained at K above the proposal of Development ~~ad~~ to revise the existing contribution may be agreed to ~~therefore~~ (Necessary extrcts will be taken from this file and added to the Budget estimate file in this section - See para 2 of the notes on page 6 above).

Sd/-x x x x

Development Department.

Notes of this Department on page 8-12 above and the remarks of Finance at 'Z' on page 12 above may be perused. Finance have agreed to the proposal of this Department not to revise the existing contribution. No further action is necessary in this file. The papers may be recorded as G.O.Ms.No. 5475-dated 4-11-48.

R C O R D E D.

Sd/-x x x x x

Abstract:
Companies - Indian Companies Act, 1913— Administration by the Government of Madras- contribution from the Government of India on account of the cost of the Secretariat staff - Revision - Proposal-Papers recorded.

SP.

A. Jayasankaran 28/5

Office Assistant, Madras Record Office